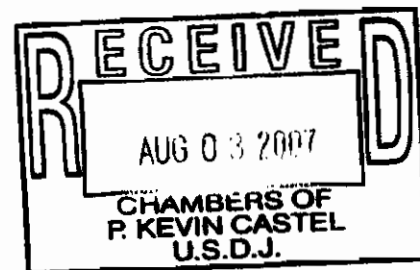




MEMO ENDORSED

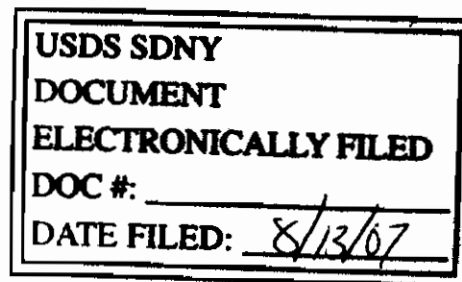


Robert W. Mauriello, Jr.
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August 7, 2007

BY FEDERAL EXPRESS

The Honorable P. Kevin Castel, U.S.D.J.
United States District Court, Southern District of New York
United States Courthouse
500 Pearl Street
New York, New York 10007-1312



Re: The Travelers Indemnity Company, et al. v. KS Bearings Inc., et al.
Case No. 07-CV-2942

Dear Judge Castel:

This firm represents plaintiffs The Travelers Indemnity Company and Travelers Casualty and Surety Company ("Travelers") in the above-referenced action. By memo endorsed May 25, 2007, Your Honor stayed this action and adjourned the initial conference from June 1, 2007 to September 6, 2007 in order to allow the parties to attempt to resolve this action, as well as the action subsequently filed by defendant KS Bearings in Indiana (the "Indiana Action"), through mediation.

By letter dated July 6, 2007, the mediator agreed to by the parties for both this action and the Indiana Action, David Geronemus, sent a letter to Your Honor and the Judge in the Indiana Action explaining that the parties have had the initial mediation conference with Mr. Geronemus, were in the process of exchanging information and submitting mediation statements, and were scheduled for the in-person mediation with Mr. Geronemus for October 30, 2007.

In view of the fact that Mr. Geronemus' schedule would not allow for the in-person mediation to occur until October 30, 2007, and that the Court in the Indiana Action has already stayed the Indiana Action until December 10, 2007 in order to allow for the completion of the mediation, we respectfully request that Your Honor extend the stay and adjournment of the initial conference in this action from September 6, 2007 to December 10, 2007.



The Honorable P. Kevin Castel, U.S.D.J.
August 7, 2007
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Thank you for Your Honor's consideration of our request. Of course, if Your Honor has any questions regarding the above, I am available to arrange a conference, either telephonic or in-person, with counsel.

Respectfully,

Robert W. Mauriello, Jr.

RWM/ems

cc: John P. Fischer, Esq. (by electronic mail)

Mr. Mauriello has
not quite addressed
the option which
I raised in my Order
of May 29. This
action was commenced on
April 12 and I do not
find lingering on the
court's docket to be
an attractive option.
I will adjourn
the conference to November
16 at 11am.
SO ORDERED
v.
USDT
8-9-07

In all events, fact
discovery will commence
on December 17, 2007 and
conclude on April 30, 2008.
Expert discovery will conclude
June 2, 2008.